

PSC NEWS Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR ATMOS ENERGY--HANNIBAL/CANTON DISTRICT CUSTOMERS UNDER SCHEDULED WINTER FILING

Jefferson City (January 3, 2003)---To reflect estimated changes in the cost of natural gas for the remaining winter season, Atmos Energy Corporation customers in the Hannibal/Canton District will experience an increase in natural gas rates under a scheduled winter season filing reviewed and accepted by the Missouri Public Service Commission. This rate change will take effect on January 6, 2003.

A residential customer currently pays \$0.4587 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$0.5251 per Ccf, an increase of approximately 6.6 cents per Ccf. The effect on a typical residential heating cus tomer for the remaining winter season (January to March) is an increase of approximately \$41 when compared to rates currently in effect.

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Atmos Energy Corporation serves approximately 12,150 natural gas customers in its Hannibal/Canton District which includes the Missouri counties of Clark, Lewis, Knox, Marion, Ralls and Scotland.